

## Message Text

SECRET

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44

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W

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R 191515Z APR 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 2204

S E C R E T CAIRO 5276

EXDIS

EO 11652: GDS

TAGS: EINV, ETRD EG

SUBJECT: ARAB BOYCOTT: FORD AND XEROX

REF: CAIRO 4714

1. MINECONCOOP ZAKI SHAFEI TOLD ME TODAY THAT PRIMIN MAMDUH SALEM HAS AUTHORIZED HIM TO SIGN FORD CONTRACT EVEN BEFORE BOYCOTT IS LIFTED. HE THOUGHT SIGNING WOULD TAKE PLACE IN 3 OR 4 WEEKS ONCE FINAL DETAILS ON PROPOSED AGREEMENT ARE WORKED OUT BETWEEN THE TWO SIDES. HE NOTED FORD TECHNICAL TEAM IS STILL HERE DISCUSSING CONTRACT DETAILS WITH AN EGYPTIAN TEAM. SHAFEI ALSO MENTIONED THAT HE HAS ASKED XEROX REPRESENTATIVES TO COME TO EGYPT TO NEGOTIATE AN AGREEMENT PERMITTING COMPANY TO RESUME OPERATIONS HERE.

2. ACCORDING OUR LAST INFO, LOCAL FORD REP WAS SCHEDULED TO DELIVER LETTER TO SHAFEI ON APRIL 18 RE CHANGES FORD DESIRES IN LAW 43. ON INSTRUCTIONS FROM DETROIT, HE HAS ASKED FOR SEVERAL DAYS DELAY IN PRESENTING LETTER. WHILE FORD LAWYERS PREFER CHANGES IN LAW 43, SHAFEI HAS INDICATED GOE DESIRE TO GRANT EXCEPTIONS TO LAW, RATHER THAN MAKE MODIFICATIONS. LATTER PROCEDURE WOULD REQUIRE GOING TO PEOPLE'S ASSEMBLY, WHICH GOE WISHES AVOID. LETTER FROM FORD, REPORTEDLY, WILL NOT MAKE DESIRED CHANGES IN LAW 43 EITHER "DEMANDS OR CONDITIONS," BUT WILL TRY TO PRESENT CONDITIONS NECESSARY FOR SUCCESS OF PROJECT.

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3. FORD NEGOTIATING TEAM WILL ARRIVE IN EGYPT ON APRIL 30, AT

WHICH TIME THEY HOPE TO HAVE SHAFEI'S RESPONSE TO YET-TO-BE  
DELIVERED LETTER. FORD PRESIDENT FOR MIDDLE EAST AND AFRICA  
WILLIAMS, ACCCOMPANIED BY J. WAYNE FREDRICKS, WILL ARRIVE ON  
MAY 3 TO NEGOTIAITE FINAL FORD PROPOSAL. FORD OFFICIALS ARE  
VERY ENCOURAGED ABOUT SHAFEI'S ATTITUDE AND HAVE HEARD  
REPORTS THAT HE HAS FROM ALEXANDRIA BUSINESSMEN THAT APPROVAL  
FORD AND XEROX WILL BE FORTHCOMING IN NEXT FEW WEEKS.

EILTS

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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